

**WEST HANOVER TOWNSHIP WATER AND SEWER AUTHORITY
SEWER EXTENSION AND SECURITY AGREEMENT**

THIS AGREEMENT made this _____ day of _____,
_____, by and between _____,
a (partnership) (a corporation existing under the laws of _____),
having a principal place of business at _____,
(Street)

_____, hereinafter called “
(City) (State)
“Applicant” and WEST HANOVER TOWNSHIP WATER AND SEWER AUTHORITY, a
Pennsylvania municipal authority of Dauphin County, Pennsylvania, hereinafter called
“Authority.”

WITNESSETH:

WHEREAS, the Applicant is the _____ of certain real
estate situate in West Hanover Township, Dauphin County, Pennsylvania (hereinafter called
“Township”), bounded and described as shown on a (Subdivision Plan) (Land Development
Plan) dated _____, by _____
(Date) (Surveyor) (Architect) (Engineer)

Entitled _____

(hereinafter called “Plan”); and

WHEREAS, Applicant has made application to Authority for permission to construct or
to cause to be constructed, at its own cost and expense, and by its own contractor, a sanitary
sewer system leading to, abutting, and/or within the aforesaid tract of land and to connect same
when completed to the existing sewage collection system of the Authority, such application
having been made after Applicant had received information from officials of Authority as to the
optional methods by which such construction and connection may be accomplished and the
relative costs and expenses thereof under the uniform rules and regulations of the Authority and
the ordinances of West Hanover Township.

WHEREAS, Applicant has submitted to West Hanover Township for approval of said
Plan, said “West Hanover Township Water and Sewer Authority Subdivision and Land
Development Resolution,” hereinafter called “Resolution” requires the Applicant to submit to the
Authority financial security sufficient in amount as shall be determined as hereinafter set forth to
cover the costs and to guarantee the construction and proper and satisfactory operation and
functioning of certain sanitary sewer lines, apparatus, and facilities which financial security
includes, without limitation, Federal or Commonwealth chartered lending institutions,
irrevocable letters of credit and restrictive or escrow accounts in such lending institutions and
corporate surety bonds; and,

WHEREAS, Paragraph 4 of such Resolution requires a written agreement that the necessary sanitary sewer lines, apparatus, and facilities, as may be required by the Township, shall be installed in strict accordance with the plans, specifications, schedules, Plat, rules, and regulations of the Authority and the Township; and,

WHEREAS, the cost of the sanitary sewer lines, appurtenances, and facilities has been determined to be the sum of \$_____ Dollars, as determined in accordance with paragraph 12 of this agreement.

NOW, THEREFORE, in consideration of the payments and promises hereinafter made, the parties hereto, intending to be legally bound hereby, it is mutually agreed as follows:

1. (a) Applicant, at Applicant's own cost and expense, will cause to be prepared, by qualified professional engineering personnel, detailed plans and specifications for the proposed extension to the sewer collection system of the Authority in accordance with all applicable ordinances, resolutions, and regulations.

(b) Such plans and specifications shall be drawn or imprinted upon sheets of dimensions 24" x 36", shall be drawn to a scale no less than 1 inch equals 50 feet, and shall incorporate the same data as required by the current Pennsylvania Department of Environmental Protection (hereinafter "DEP") Sewage Manual, as amended and supplemented, from time to time.

(c) All such plans, specifications, and DEP permit application and supporting data shall be furnished to the Authority in at least three (3) counterparts. The DEP permit application shall be prepared by the Applicant in the name of the Authority.

(d) Promptly upon receipt of such plans and specifications, Authority shall cause same to be submitted to the Consulting Engineers then representing the Authority. Such plans, specifications, and permit data shall be revised or amended, if necessary, until they are unequivocally approved by the Authority's Consulting Engineers as providing for an extension of a type and nature and so planned and to be constructed as to readily become an integral part of the collection system of the Authority.

(e) Promptly upon the Authority's approval, as aforesaid, the approved plans, specifications, and permit data shall be submitted by the Authority to DEP, requesting approval thereof and the issuance of a Water Quality Management Permit, if required. Upon receipt of such permit or approved module, and upon compliance by applicant with all applicable local ordinances and regulations, the Authority will notify the Applicant that work may be started on the project.

(f) Applicant shall be responsible for compliance with all DEP soil erosion and sedimentation control requirements. All charges, fees, and fines in connection with these requirements shall be the Applicant's responsibility.

2. Applicant shall construct or cause to be constructed the subject extension according to the aforesaid approved plans, specifications, schedules, Plan, rules, and regulations of the Authority and DEP permit. The Authority, its officers, agents, employees, solicitors, and consulting engineers shall have no responsibility or liability for payment of any part of the costs of expenses arising out of or relating to said construction or the labor, materials, and equipment used therein or thereon or for injury or damage to any persons or property occurring upon or associated with the construction of the project. Applicant shall, unless otherwise agreed, procure all necessary permits and licenses, pay all charges and fees, and shall file all notices necessary to the proper and lawful prosecution of the work.

3. Applicant agrees to give the Authority ten (10) days written notice of Applicant's intention to begin construction of the Collection System so that its construction may be properly inspected by the Authority. Any work which has begun before the expiration of such ten (10) day period without the consent of the Authority will not be approved, as well as any improperly constructed work, the existence of which the Authority has notified Applicant promptly after the inspection which has disclosed such improper construction. At all times, the sewer contractor shall keep on the construction site, available to the Authority one (1) copy of the Approved Plans and Specifications, any shop drawings approved by the Authority, and the Authority's rules and regulations.

4. During the course of the construction, all materials, workmanship, and compliance with the approved plans and specifications shall be subject to the inspection and approval of the designated representative or Consulting Engineer for the Authority. Final inspection shall be in accordance with the Authority's standard construction and materials specifications. Upon completion of the construction and prior to connection of the extension to the collection system of the Authority, the said representative or Consulting Engineer for the Authority shall certify the satisfactory completion thereof to the Authority.

5. Promptly upon completion of the extension, the Applicant shall:

(a) Cause to be prepared and furnished to the Authority, at the expense of Applicant, two (2) sets of "as-built" drawings of the completed sewer extension, including the location and depth of each lateral, together with one (1) set of reproducible plans thereof and one (1) digitized plan set in a format approved by the Authority; and"

(b) Cause to be prepared, executed, acknowledged, and delivered to Authority, at the sole expense of Applicant, an appropriate instrument or instruments transferring the said entire extension, its pipes, manholes, and all of its appurtenances, as well as all rights, liberties, and privileges appurtenant thereto, including easements and rights-of-way, necessary to the existence, operation, and maintenance of said extension, said conveyances to be free and clear of all liens and encumbrances. Applicant will also produce a record owner and lien search from an attorney or reputable title company listing all liens and encumbrances and shall supply the consents, releases, or satisfactions necessary to make the conveyance free and clear of such interests, liens, and encumbrances.

6. This Agreement shall not obligate the Authority to take by eminent domain proceedings any necessary easement or right-of-way. It is the responsibility of Applicant to

provide or obtain any necessary easement or right-of-way. In the event that the Authority, in its sole and absolute discretion, institutes eminent domain proceedings, Applicant shall be responsible for and pay all costs, fees, and expenses incurred by Authority with respect thereto, including but not limited to filing fees, surveys, expert witness' fees, engineers' fees, and attorneys' fees, and shall be responsible for any and pay all damages, including interest, awarded in favor of any condemnee.

7. Upon receipt (and recording, if required) of said instrument or instruments of transfer, the extension and all parts and appurtenances thereof shall be, become, and remain the sole, absolute, and permanent property of the Authority, its successors and assigns, free and clear of any lien, obligation, or other liability, except as provided in paragraph 8 of this agreement, in favor of the Applicant, his successors, assigns, or constructors, and his or their laborers and materialmen and any of their creditors, or in favor of any other person or corporation, to the same end and effect as if the Authority had constructed the extension with its own labor and at its own expense; and thereafter the Authority, its successors or assigns, shall maintain and repair said extension as its own property and at its own cost and expense and the Applicant shall have no further obligation or responsibility thereto, except as hereinafter provided. Applicant shall and does hereby, for a period of eighteen (18) months following the delivery of said instrument or instruments, guarantee the said sewer system as to workmanship and materials and shall perform any required maintenance or replacement thereof during such period. Applicant shall also provide financial security to assure such maintenance or replacement as hereinafter set forth in paragraph 17 of this Agreement.

8. Applicant shall pay to Authority such Connection Fees, Customer Facilities Fees, and Tapping Fees as may be established by the Authority. The Fees shall be payable in the amounts and at the times established by the Authority. When the owner of another property not in the development for which the extension was constructed connects a service line directly to the extension within ten (10) years of the date of the dedication of such extension to the Authority, Applicant shall be entitled to reimbursement in accordance with the following provisions:

(a) Such reimbursement shall be equal to the distribution or collection part of each tapping fee collected as to result of subsequent connections. Authority shall be entitled to deduct from each reimbursement payment of an amount equal to five per centum which shall be deemed to represent the appropriate charge for administrative expenses and services rendered in calculating, collecting, monitoring, and disbursing the reimbursement payments to the Applicant.

(b) Reimbursement shall be limited to those lines which have not previously been paid for by the Authority.

(c) The Authority shall attach as an exhibit to this Agreement an itemized listing of all sewer and water facilities for which reimbursement shall be provided.

(d) The total reimbursement to which Applicant shall be entitled shall not exceed the cost of all labor and material, engineering design charges, the cost of performance and maintenance bonds, Authority review and inspection charges, as well as flushing and televising charges and any and all charges involved in the acceptance and dedication of such facilities by the Authority, less the amount which would be chargeable to such Applicant based upon the

Authority's collection and distribution tapping fees which would be applicable to all lands of the Applicant served directly or indirectly through such extensions if the Applicant did not fund the extension. The Applicant shall provide an itemized listing of such costs and charges, other than Authority charges, and supporting documentation as required by the Authority at the time of tender of the Deed of Dedication.

(e) The Authority shall be required to notify by certified mail, to Applicant's last known address, the Applicant for whose benefit such reimbursement shall apply within thirty (30) days of the Authority's receipt of any such reimbursement payment. In the event that the Applicant has not claimed a reimbursement payment within one hundred twenty (120) days of the mailing of the notice, the payment shall revert to and become the sole property of the Authority with no further obligation on the part of the Authority to refund the payment to the Applicant.

(f) Any addendum attached hereto will control and supersede any inconsistent provisions of this paragraph. (Enter check mark if addendum is attached and number thereof if more than one _____.)

9. On or prior to the date of this Agreement, Applicant has deposited with Authority, the receipt whereof is hereby acknowledged, the sum of \$_____ Dollars, which shall be held by the Authority, without interest, for application by the Authority to or toward the following costs chargeable against it in the performance of this Agreement:

(a) The reasonable charges of its Consulting Engineers for examination and approval of the plans and specifications as referred to in Paragraph 1(d) hereof.

(b) The fees and charges of DEP for the permit referred to in Paragraph 1(e) hereof.

(c) The expenses and charges of inspection and approval in accordance with Paragraph 4 hereof, testing and flushing as referred to in Paragraph 3 hereof.

(d) The legal expenses of Authority in connection with the preparation and/or review of this Agreement, the aforesaid instrument or instruments of transfer, any required easements, title searches, etc., relating to the matters covered hereby.

(e) The reasonable charges for updating the Sewer Index Map of the Authority's Sanitary Sewer System to add the new extension.

Should the fund above deposited exceed the actual cost to the Authority of said specified charges and fees, the balance remaining upon the completion and acceptance of the sewer extension as provided in Paragraph 19 of this Agreement shall be refunded to the Applicant; but should said deposit be insufficient to cover the above costs, Applicant shall pay the deficiency to Authority upon demand and prior to the connection of the extension to the sewer system of Authority.

10. The Applicant agrees that the aforesaid construction and installation will be completed within _____ year(s) from the date hereof.

11. Applicant shall deposit with the Authority financial security in an amount sufficient to cover the cost of all required improvements and the estimated cost of any eminent domain proceedings. The financial security shall guarantee performance of this Agreement in completion of the improvements by the Applicant schedules, plat, rules, and regulations of the Authority and DEP permit. The financial security shall be (corporate surety bond) (irrevocable letter of credit) in the amount of \$_____ Dollars. The amount of the financial security shall be equal to one hundred ten (110%) percent of the costs of the required improvements and estimated cost of eminent domain proceedings for which the financial security is to be posted.

12. The cost of improvements shall be established in the following manner:

(a) By submission to the Authority of bona fide bid or bids from the contractor or contractors chosen by the Applicant to complete the improvements, or

(b) In the absence of such bona fide bid or bids, the costs shall be established by estimates prepared by the Consulting Engineer.

13. If the Applicant requires more than one (1) year from the date of posting of such financial security to complete the required improvements, the amount of such financial security shall be increased by an additional ten (10%) percent for each one (1) year period beyond the first anniversary date from posting of financial security or to an amount not exceeding one hundred ten (110%) percent of the cost of completing the required improvements as re-established on or about the expiration of the preceding one (1) year period by using the above bidding procedure or, in the absence of such bidding procedure, as established by estimates prepared by the Consulting Engineer. Any such increase in financial security shall be delivered to the Authority, not later than the applicable anniversary date, subject to the provisions of this Agreement.

14. If the aforesaid improvements are not completed within said period of time and the Applicant fails to increase the security as provided in Paragraph 12 hereof or if the said improvements are not constructed and installed in strict compliance with the provisions of this Agreement or instructions of the Consulting Engineer or applicable laws and regulations of the Commonwealth of Pennsylvania, the corporate surety or financial institution shall immediately turn over to the Authority so much of the financial security as is requested by the Authority in writing so that the Authority may make or complete the aforesaid improvements.

15. The Authority shall be the sole judge as to whether the improvements are constructed and installed in strict accordance with the provisions of this Agreement or instructions of the Authority Engineer.

16. When the Applicant has completed all of the required improvements, the Applicant shall notify the Authority in writing, by certified or registered mail, of the completion of the aforesaid improvements and shall send a copy thereof to the Engineer.

(a) The Engineer shall, within ten (10) days after receipt of such notice, perform a final inspection of the improvements.

(b) The Consulting Engineer shall thereafter file a report, in writing, with the Authority and shall promptly mail a copy of the same to the Applicant by certified or registered mail. The report shall be made and filed within thirty (30) days after the final inspection.

(c) The report shall be detailed and shall indicate approval or rejection of such improvements, or any portion thereof, are not approved or are rejected by the Consulting Engineer, the report shall contain a statement of the reasons for non-approval or rejection.

(d) The Authority shall notify the Applicant in writing by certified or registered mail, of the action of the governing body with relation thereto.

(e) If items (a)-(d) above are not completed within ninety (90) days all improvements will be deemed to have been approved and the Applicant shall be released of all liability, except as set forth in Paragraph 17 hereof.

(f) If any portion of the improvements are not approved or are rejected by the Authority, the Applicant shall proceed to complete the same, and upon completion, the same procedure of notification as listed above shall be followed.

17. Prior to the acceptance by the Authority of all or some of the required improvements, the Applicant shall post financial security to secure structural integrity of said improvements as well as the functioning of said improvements in accordance with the design, specifications, and schedules for a term of eighteen (18) months from the date of acceptance thereof by the Authority.

(a) Said financial security shall be of the same type as allowed by Paragraph 11 of this Agreement.

(b) The amount of such financial security shall be fifteen (15%) percent of the costs of said improvements as provided by Paragraph 12 of this Agreement.

18. Applicant represents that no lots have thus far been conveyed in such Plan, no rights-of-way have been granted to any utilities to use any of the streets in such Plan, and the entire premises set forth on such Plan still is held intact in fee by Applicant. All sanitary sewers satisfactorily built and installed shall become the property of West Hanover Township Water and Sewer Authority free of any and all encumbrances after the Consulting Engineer of the Authority certifies completion, and Applicant agrees to tender to West Hanover Township Water and Sewer Authority a Deed of Dedication to the sewer lines installed therein upon their completion prior to the connection of any lots from such Plan.

19. Prior to release of any financial security as required by Paragraphs 11 and 13 of this Agreement and prior to release of escrow as set forth in Paragraph 9 of this Agreement, the Applicant shall cause to be prepared at Applicant's sole expense a Deed of Dedication for the extension, shall provide as-built drawings as required in Paragraph 5 of this Agreement, shall provide financial security as required by Paragraph 17 of this Agreement, and shall provide affidavits and waivers as required by Paragraph 20 of this Agreement, and shall obtain approval from the Consulting Engineer as set forth in Paragraph 16(c) of this Agreement.

20. Upon completion of such improvements and as a condition of acceptance by Authority, Applicant shall submit to Authority an affidavit, waiver of mechanics liens, and such other satisfactory evidence as Authority may require, that all labor, material, rental, contractors and subcontractors used, supplied, furnished, or employed in the construction of such improvements have been paid.

21. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

22. This Agreement shall be construed in accordance with the law of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

Attest:
(Corporate Seal)

WEST HANOVER TOWNSHIP
WATER AND SEWER AUTHORITY

(Assistant) Secretary

By: _____
(Vice) Chairman
(Individual)

Signature of Individual (SEAL)

Witness:

Trading and doing business as

(Partnership)

Witness:

(Name of Partnership)

By: _____ (SEAL)
Partner

By: _____ (SEAL)
Partner

By: _____ (SEAL)
Partner

By: _____ (SEAL)
Partner

(Corporation)

Witness:

(Name of Corporation)

By: _____
(Vice) President

ATTEST:

(Assistant) Secretary

(CORPORATE SEAL)

or (if appropriate)

(Name of Corporation)